

DECEMBER 11, 2013 – MINUTES TAKEN BY THE SEVIER SCHOOL DISTRICT BOARD OF EDUCATION AT A WORK SESSION HELD ON DECEMBER 11, 2013, AT 10:00 AM IN THE SEVIER SCHOOL DISTRICT OFFICE.

In attendance were President Clint Johnson, Vice President Jack Hansen, members Tom Hales, and Don Naser, as were Superintendent Cade Douglas, Assistant Superintendent Gail Albrecht, Business Administrator Chad Lloyd, and Executive Secretary Patricia Sanchez. Board member Richard Orr was excused.

Mr. Hales arrived to the meeting at 10:15 a.m.

Also in attendance were Auditor Matt Geddes from Squire & Company, District Accountant Kari Carter, CTE Director Don Yates, KMA Architects Kevin Madson and Wes Christensen, Principal Brent Gubler, and Building Officer Larry Morwood.

President Johnson welcomed everyone to the meeting.

ITEM #1. – CTE STUDENT OUT-OF-STATE TRAVEL. CTE Director Don Yates thanked the Board for the opportunity to address the Career & Technical Student Organizations (CTSO) out-of-state travel policy (3161). Due to some recent requests for out-of-state travel that didn't meet the criteria of the policy, the Board requested that the policy be revisited and possibly revised. Mr. Yates provided the District's current policy and explained that student organizations are a very important part of CTE. A goal of the CTSO is to prepare students to compete at the national level to celebrate their academic achievement. He also provided general background knowledge of the CTSOs, national convention information, and policy considerations.

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ITEM #2. – RICHFIELD HIGH SCHOOL BUILDING UPDATE. KMA Architects Kevin Madson and Wes Christensen provided a power point presentation on the new Richfield High School. The presentation included drawings of the main and second floors, bond projects and timeline, phases 1, 1A, 2, & 2A, extraordinary challenges and anticipated challenges of the project, a list of pre-qualified general contractors for hard bid, and exterior materials and designs. They also shared plans on the new band rooms and roofs at North and South Sevier High Schools.

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ITEM #3. – FY 2013 AUDIT REPORT, USOE ANNUAL PROGRAM REPORT, AND USOE ANNUAL FINANCIAL REPORT. Auditor Matt Geddes, on behalf of Squire & Company, thanked the Board for the opportunity to perform the audit for Sevier District. He commented on the complexity of the accounting responsibilities of the District and complimented Kari Carter, Pat Wilson, and Chad Lloyd for their hard work and dedication in keeping accurate financial records. He reported that Sevier received an A grade and found the District compliant in all areas. He referred to the transmittal letter and the independent auditors report.

Kari Carter reviewed the USOE Annual Financial and Program reports with the group. She commented that the state had changed the format of the reports and apologized for how it had copied. Mrs. Carter pointed out that extended day kindergarten is a state funded program; however, the funding has been reduced or stayed the same each year and the costs have gone up because retirement and health insurance has increased. The state doesn't allocate enough funds

to cover the program so the District had to supplement the it in the amount of \$33,000 through local property tax revenues to bring it to a zero balance. She stated that the retirement fund would slowly grow and should stabilize in the next few years.

Mr. Lloyd commented that Mrs. Carter and Mr. Wilson had most of the audit completed when he became the business administrator. He stated that it was great to step into a position where there's sound fiscal leadership and that the overall theme of the audit presentation demonstrates great consistency for many years. He commended them for the great job they've done.

Mr. Lloyd provided a power point presentation focusing on the key points of the audit. He began with the *Letter of Transmittal* and explained that it touches on the basic financial and service areas of the District. The District's average cost per student in FY 13 was \$6,184, a decrease of \$155 or 2.5 percent compared to FY 12. This section also gives valuable information in regards to bond issuance. The District is 65.3 percent dependent on state funds and that salary and benefits account for 83 percent of the general fund expense. The total net position (equity) of the District was \$42,544,545 at June 30, 2013, as compared to \$37,984,250. The presentation also included information about fund financial highlights, debt service, capital projects, and other government funds. The statistical section of the audit provided information about revenues by source, expenditures by function, tax rates for the last ten years, property taxes, principal tax payers, legal debt limit, annual debt service, cost per pupil, school lunch trend, and staff education.

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Copies of the FY 2013 audit and the USOE financial and program reports are contained in the December 11, 2013, regular meeting minutes as well as on the District's website.

ITEM #4. – CLOSED MEETING. There was no closed session.

The meeting adjourned at 2:38 p.m.

I certify that upon motion duly made, seconded and passed, the Board of Education of the Sevier School District approved the foregoing minutes on the 15th day of January 2014. I further certify that a quorum of the Board was present on both the day covered by these minutes and the day of approval.

Chad W. Lloyd, Business Administrator